

1 FINANCE AND ADMINISTRATION CABINET

2 Office of the Secretary

3 (Amendment)

4 200 KAR 5:021. Manual of policies and procedures.

5 RELATES TO: KRS Chapter 45A

6 STATUTORY AUTHORITY: KRS 45A.045(2)

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 45A.045(2) requires the Finance
8 and Administration Cabinet to publish a manual of policies and procedures, which is to be
9 incorporated by reference as an administrative regulation pursuant to KRS Chapter 13A. This
10 administrative regulation incorporates the Finance and Administration Cabinet Manual of
11 Policies and Procedures.


12 Section 1. Incorporation by Reference. (1) "Finance and Administration Cabinet of Policies
13 and Procedures", (revised July 2015, [~~January 2006~~] is incorporated by reference.

14 (2) This material may be inspected, copied, or obtained, subject to applicable copyright law,
15 at the Finance and Administration Cabinet, Office of Policy and Audit, Policy Branch, Room
16 493[468], Capitol Annex, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30
17 p.m. This material may also be obtained at the Finance and Administration Cabinet's Web site,
18 www.finance.ky.gov/services/policies/Pages/default.aspx.

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Signature Page

APPROVED:


Lori Flanery, Secretary
Finance and Administration Cabinet

11 / 12 / 2015
Date

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on December 22, 2015 at 10:00 a.m. in Room 381, Capitol Annex Building, Frankfort, Kentucky 40601. Individuals interested in being heard at this hearing shall notify this agency in writing at least five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until close of business on Monday, January 4, 2016. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

Contact Person: Lisa Swiger, Staff Assistant, Finance and Administration Cabinet, Department of Revenue, 501 High Street, Station 9, Frankfort, Kentucky, 40601, (502) 564-9526 (telephone), (502) 564-2541 (fax).

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation No. 200 KAR 5:021

Contact Person: Lisa Swiger
Phone Number: 502-564-9526

(1) Provide a brief summary of:

(a) What this administrative regulation does: It incorporates by reference a policies and procedures manual required by KRS 45A.045(2).

(b) The necessity of this administrative regulation: It is required by KRS 45A.045(2).

(c) How this administrative regulation conforms to the content of the authorizing statutes: the regulation incorporates by reference the policies and procedures manual required by KRS 45A.045(2).

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: It provides guidance to vendors, prospective bidders, Finance and Administration Cabinet ("FAC") staff and other state employees in the administration of Kentucky's Model Procurement Code (KRS Chapter 45A).

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: Minimal changes to the regulation but significant changes to the policies in the manual.

(b) The necessity of the amendment to this administrative regulation: The manual has not been reviewed and updated since 2006. This amendment will reflect changes in statutes and policies as well as providing better clarity for vendors and staff.

(c) How the amendment conforms to the content of the authorizing statutes: The manual is required by KRS 45A.045(2).

(d) How the amendment will assist in the effective administration of the statutes: The updated manual will assist state employees and vendors in procurement matters.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: All current and prospective state vendors.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: The updated manual shouldn't impose additional duties or actions on regulated entities.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): No additional costs should accrue.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): Vendors will have a better understanding of the procurement system.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: No additional costs.

(b) On a continuing basis: No additional costs.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: N/A

(7) Provide an assessment of whether an increase in fees or funding will be necessary to

implement this administrative regulation, if new, or by the change if it is an amendment: No increase in fees or funding.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: No

(9) TIERING: Is tiering applied? (Explain why or why not) The amended regulation will affect all state agencies and state vendors equally, so tiering was not applied.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT
Regulation No. 200 KAR 5:021 Contact Person: Lisa Swiger
Phone Number: 502-564-9526

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? All state agencies.

2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. None.

3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect. None

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? None

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? None

(c) How much will it cost to administer this program for the first year? No additional costs.

(d) How much will it cost to administer this program for subsequent years? No additional costs.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation:

200 KAR 5:021
Summary of Changes to Material Incorporated by Reference

The Finance and Administration Cabinet of Policies and Procedures, January 2006 edition, has been revised to the July 2015 edition. The changes include the following:

1. There was a reorganization of the Table of Contents and the document in order to make it more user friendly.
2. Source references were added at the bottom of each FAP.
3. Language was added and deleted for easier readability.
4. Various forms had been added; however, it was determined not to include them in the 2015 FAP manual.

The total number of pages is 110.